Walton International Ltd v Yong Teng Hing (b/s Hong Kong Trading Co)

COURT OF APPEAL (PUTRAJAYA) — CIVIL APPEAL NO W-02–685 OF 2008
ZAINUN ALI, RAMLY ALI AND ZAHARAH IBRAHIM JJCA
11 MAY 2010

Trademarks — Registration — Application for — Registration of trademark — Opposition to application — Whether respondent first user of 'Giordano' trademark in respect of Class 9 goods in Malaysia — Whether appellant bona fide proprietor of trademark — Whether use of trademark likely to deceive or cause confusion to public — Whether respondent's trademark identical to appellant's trademark — Whether application to register trademark should have been refused by Registrar of Trade Marks — Trade Marks Act 1976 ss 14(1) & 19(1)

The appellant, an associated company of Giordano Ltd ('GL'), was at all material times the registered proprietor of the 'Giordano' trademark and other related trademarks in respect of articles of clothing, watches with leather straps, leather belts, eyewear including sunglasses, bags, wallets, umbrellas and fashion accessories to many countries including Malaysia. By an assignment dated 5 March 1991, GL had assigned the trademark and other related trademarks worldwide together with the goodwill and reputation in connection with the trademarks to the appellant. Yong Teng Hing ('the respondent'), the sole proprietor of Hong Kong Trading Co, was in the business of selling watches since 1986 and optical and sun glasses since 1992 in Malaysia. All the goods sold by the respondent used the 'Giordano' trademark and the respondent had obtained registration of the said trademark in respect of goods in Class 14 (watches). When the respondent filed an application for the registration of the 'Giordano' trademark for optical and sun glasses (Class 9 goods) at the Registry of Trade Marks in Malaysia, the appellant filed a notice of opposition on the grounds that the respondent's trademark was identical or similar to the appellant's 'Giordano' trademark in which the appellant had acquired substantial goodwill and reputation in many countries including Malaysia. The Registrar of Trade Marks ('the registrar') dismissed the opposition application and the appellant filed an appeal to the High Court against the registrar's decision. The High Court judge dismissed the appellant's appeal on the grounds, namely that the respondent was the first user of the 'Giordano' trademark in respect of Class 9 goods in Malaysia; that the appellant's goods were of a different description and were sold not in the same trade channel as those of the respondent. This was the appellant's appeal against that decision. It was the appellant's contention that the appellant's predecessor in title, GL, was the originator and/or the bona fide proprietor of the 'Giordano' trademark and

that the respondent had copied it to cash in on the appellant's worldwide reputation and goodwill. As such it was the appellant's contention that the respondent's application to register the trademark should be refused by the registrar. The respondent submitted that he had prior use of the 'Giordano' trademark in respect of Class 9 goods in Malaysia since 1992 and that the appellant's notice of opposition was mala fide.

Held, allowing the appeal with costs:

(1) In the present case, the appellant had adduced unchallenged documentary evidence that it had been using the trademark extensively in Malaysia, in respect of articles of clothing and Class 9 goods since sometime in 1990 whereas the respondent had only first used the trademark in Malaysia in 1992. The respondent had failed to adduce sufficient evidence to show that he had commenced use of the trademark in relation to optical goods and sunglasses prior to the filing date of his application for registration. As such it was found that the appellant was the first user and therefore the bona fide proprietor of the 'Giordano' trademark. Further, the respondent failed to proffer any plausible explanation on his choice of trademark which was identical to the appellant's mark. Since the respondent could not claim to be the proprietor of the trademark his application for registration of the 'Giordano' trademark should have been refused by the registrar (see paras 18, 24–27,33–40).

(2) Under s 14(1)(a)of the Trade Marks Act 1976 ('the Act'), registration of a trademark should be refused if there is likelihood of confusion or deception to the public or customers. In the present case since both the appellant's and respondent's goods are fashion apparels which are targeted at the same Class of customers and market area, it was highly likely that members of the public would wonder if the appellant's and respondent's goods both bearing the 'Giordano' trademark had originated from the same source. In fact it was not necessary to prove that the appellant had acquired a reputation or goodwill in respect of the 'Giordano' trademark but whether the use of the trademark was likely to deceive or cause confusion to the public. As such, it was clear that the registration of the respondent's trademark by the registrar was in contravention of s 14(1)(a) of the Act on the grounds that the use of the 'Giordano' trademark by the respondent was likely to cause confusion to the public. On this ground alone the appeal should be allowed (see paras 20–23, 28, 32, 41).

(3) In the present case, the respondent's trademark was identical to the appellant's trademark. Thus, although the respondent's goods were not exactly the same as the appellant's goods, nevertheless all their good were in the same description. Therefore the prohibition under s 19(1) was

applicable and the respondent's trademark should not have been registered (see paras 45–47, 53–58).

[Bahasa Malaysia summary

Perayu, sebuah syarikat bersekutu Giordano Ltd ('GL'), adalah pada setiap masa matan pemilik berdaftar tanda dagang 'Giordano' dan tanda dagang lain yang berkaitan berhubung artikel-artikel pakaian, jam tangan bertali kulit, tali pinggang kulit, kaca mata termasuklah kaca mata gelap, beg, dompet, payung dan perhiasan fesyen ke banyak negara termasuklah Malaysia. Melalui penyerahhakkan bertarikh 5 Mac 1991, GL telah menyerahhak tanda dagangan dan tanda dagang berkaitan lain seluruh dunia bersama dengan nama baik dan reputasi berkaitan dengan tanda dagang tersebut kepada perayu. Yong Teng Hing ('responden'), pemilik tunggal Hong Kong Trading Co, telah menjalankan perniagaan menjual jam tangan sejak tahun 1986 dan kaca mata gelap dan optik sejak tahun 1992 di Malaysia. Kesemua barangan yang dijual oleh responden menggunakan tanda dagang 'Giordano' dan responden telah memperoleh pendaftaran tanda dagang tersebut berkaitan barangan dalam Kelas 14 (jam tangan). Apabila responden memfailkan permohonan untuk pendaftaran tanda dagang 'Giordano' bagi kaca mata gelap dan optik (barangan Kelas 9) di Pejabat Pendaftaran Tanda Dagang di Malaysia, perayu telah memfailkan notis bantahan atas alasan bahawa tanda dagang responden adalah sama atau serupa dengan tanda dagang 'Giordano' perayu yang mana perayu telah dapat membina nama baik dan reputasi di banyak negara termasuk Malaysia. Pendaftar Tanda Dagang ('pendaftar tersebut') telah menolak permohonan bantahan itu dan perayu telah memfailkan rayuan ke Mahkamah Tinggi terhadap keputusan pendaftar tersebut. Hakim Mahkamah Tinggi telah menolak rayuan perayu atas alasan, iaitu bahawa responden adalah pengguna pertama tanda dagang 'Giordano' berkaitan barangan Kelas 9 di Malaysia; bahawa barangan perayu mempunyai perihal berbeza dan dijual bukan dalam rangkaian dagangan yang sama seperti barangan responden. Ini adalah rayuan perayu terhadap keputusan tersebut. Adalah hujah perayu bahawa pendulu dalam hak milik perayu, GL, adalah pemilik asal dan/atau bona fide tanda dagang 'Giordano' dan bahawa responden telah menirunya untuk mengaut keuntungan ke atas nama baik dan reputasi antarabangsa perayu. Oleh itu adalah hujah perayu bahawa permohonan responden untuk mendaftar tanda dagang patut ditolak oleh pendaftar tersebut. Responden berhujah bahawa dia telah terlebih dahulu menggunakan tanda dagang 'Giordano' berkaitan barangan Kelas 9 di Malaysia sejak tahun 1992 dan bahawa notis bantahan perayu adalah mala fide.

Diputuskan, membenarkan rayuan dengan kos:

(1) Dalam rayuan ini, perayu telah mengemukakan keterangan dokumentar yang tidak dicabar yang mana ia telah menggunakan secara meluas tanda

dagang tersebut di Malaysia, berkaitan artikel-artikel pakaian dan barangan Kelas 9 sejak tahun 1990 walhal responden hanya menggunakan tanda dagang itu di Malaysia dalam tahun 1992. Responden telah gagal untuk mengemukakan keterangan mencukupi untuk menunjukkan bahawa dia telah mula menggunakan tanda dagang berkaitan kaca mata gelap dan optik itu sebelum tarikh pemfailan permohonannya untuk pendaftaran. Oleh itu adalah didapati bahawa perayu merupakan pengguna pertama dan dengan itu pemilik bona fide tanda dagang 'Giordano'. Selanjutnya, responden telah gagal untuk mengajukan apa-apa penjelasan munasabah atas pilihannya terhadap tanda dagang itu yang sama dengan tanda perayu. Oleh kerana responden tidak boleh mendakwa dirinya pemilik tanda dagang itu maka permohonan untuk pendaftaran tanda dagang 'Giordano' olehnya patut ditolak oleh pendaftar tersebut (lihat perenggan 18, 24–27, 33–40).

(2) Di bawah s 14(1)(a) Akta Cap Dagangan 1976 ('Akta'), pendaftaran tanda dagang patut ditolak jika terdapat kemungkinan berlaku kekeliruan atau penipuan kepada orang awam atau pelanggan. Dalam kes ini memandangkan barangan kedua-dua perayu dan responden adalah pakaian fesyen yang menjadi tumpuan kelas pelanggan dan kawasan pasaran yang sama, adalah berkemungkinan besar bahawa orang awam akan berfikir jika barangan perayu dan responden yang kedua-duanya mempunyai tanda dagang 'Giordano' adalah berasal daripada sumber yang sama. Bahkan adalah tidak perlu untuk membuktikan bahawa perayu telah mendapat reputasi atau nama baik berkaitan tanda dagang 'Giordano' tetapi sama ada penggunaan tanda dagang itu berkemungkinan menipu atau menyebabkan kekeliruan kepada orang awam. Oleh demikian, adalah jelas bahawa pendaftaran tanda dagang responden oleh pendaftar tersebut adalah bercanggah dengan s 14(1)(a) Akta tersebut atas alasan bahawa penggunaan tanda dagang 'Giordano' oleh responden berkemungkinan akan menyebabkan kekeliruan kepada orang awam. Atas alasan ini sahaja rayuan patut dibenarkan (lihat perenggan 20–23, 28, 32, 41).

(3) Dalam kes ini, tanda dagang responden adalah sama dengan tanda dagang perayu. Oleh itu, meskipun barangan responden tidak serupa dengan barangan perayu, kesemua barangan itu mempunyai perihal yang sama. Oleh demikian larangan di bawah s 19(1) adalah terpakai dan tanda dagang responden tidak patut didaftarkan (lihat perenggan 45–47, 53–58).]

Notes

For cases on application for registration of trademark, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2165–2169.

Cases referred to

Caitlin Financial Corp NV v CA Siemer (M) Sdn Bhd & Anor [2001] 3 MLJ 423, HC (folld)
'Bali' Trade Mark [1969] RPC 472 (refd)
DAIQUIRI RUM Trade Mark [1969] RPC 600 (refd)
FLORADIX Trade Mark [1974] RPC 583 (refd)
Hicks Trade Mark, Re (1897) 22 VLR 636 (refd)
Jellinek's Application, Re (1946) 63 RPC 59 (refd)
Lam Soon Marketing Services Ltd v Lam Mei Hing (t/a Yat Hing Trading Co) [1994] AIPR 317, HC (refd)
Lim Yew Sing v Hummel International Sports & Leisure A/S [1996] 3 MLJ 7, CA (refd)
Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd [1979] RPC 410 (refd)
Reckitt & Colman (Australia) Ltd v Boden (1945) 70 CLR 84, HC (refd)
Southern Cross Refrigerating Company v Toowoomba Foundry Pty Ltd (1954) 91 CLR 592, HC (refd)
Special Effects Ltd v L'Oreal SA & Anor [2007] RPC 15, CA (refd)

Legislation referred to

Trade Marks Act 1953 [NZ] s 16
Trade Marks Act 1976 ss 14(1)(a), 19(1), 19(1)(a), (b), 45

Michael Soo (Serena Lim with him) (Shook Lin & Bok) for the appellant.
W A Shashila (Anita Kaur with her) (Ram Rais & Partners) for the respondent.

Ramly Ali JCA (delivering judgment of the court):

[1] This is an appeal by the appellant, Walton International Ltd, against the decision of the learned High Court judge dated 23 February 2007 dismissing the appellant's appeal against the decision of the learned Registrar of Trade Marks, Malaysia ('registrar') dated 19 July 2003 dismissing the appellant's notice of opposition filed against the respondent's trademark application No 92/0511 to register the trademark 'GIORDANO' for optical and sunglasses in Class 9.

FACTUAL BACKGROUND

[2] The appellant, Walton International Ltd, is an associated company of Giordano Ltd. Both were part of a group of companies owned by Giordano Holdings of Hong Kong, a public listed company on the Hong Kong Stock Exchange since 1991. Following a restructuring, the appellant and Giordano Ltd became wholly owned subsidiaries of Giordano International Ltd of Bermuda, also a public listed company on the Hong Kong Stock Exchange.

[3] In Malaysia the appellant is the registered proprietor, applicant and assignee of 'GIORDANO trademark and other related trademarks in Class 25 (for garments and wearing apparels; jeans, T-shirts, pouch, accessories, trousers, clothing, footwear and headgear and articles of clothing), Class 18 (for leather and imitations of leather, and goods made of these materials and not included in other Classes, animal skins, hides, trunks and traveling bags, umbrellas, parasols and walking sticks, whips, harness and saddlery); and Class 13 (for GIORDANO ladies).

[4] Apart from the above applications and registrations in Malaysia, the appellant is also the registered proprietor and applicant for registration, whether by itself or through assignments, of 'GIORDANO' trademark for goods in, inter alia, Classes 9, 14, 18 and 25 in many other countries around the world.

[5] The appellant's predecessor in title, Giordano Ltd has sold and exported substantial quantities of goods bearing 'GIORDANO' trademark, such as articles of clothing, watches with leather straps, leather belts, eyewear including sunglasses, bags, wallets umbrellas and fashions accessories, to many countries including Malaysia. By an assignment dated 5 March 1991, all the 'GIORDANO' trademark and other related trademarks worldwide together with the goodwill and reputation in connection with the trademarks have been assigned to the appellant.

[6] The respondent on the other hand, is the sole proprietor of Hong Kong Trading Co. He ventured into businesses of selling watches with leather and imitation leather straps in 1986, and selling optical and sun glasses, and cases made of leather or imitation leather in 1992, in Malaysia. All the goods sold and dealt with by the respondent used the 'GIORDANO' trademark. He had in fact applied to register the 'GIORDANO' trademark for goods in Classes 9, 14 and 18 and had obtained registration of 'GIORDANO' trademark in Class 14.

[7] The respondent filed an application for registration of the trademark 'GIORDANO' at the Registry of Trade Marks, Malaysia on 25 July 1992 for optical and sun glasses in Class 9 vide application No 92/05211. The respondent's application was published in the government *gazette* dated 8 June 1995.

[8] The appellant filed an opposition against the respondent's application on the grounds, inter alia, that the 'GIORDANO' trademark applied for by the respondent is identical or similar to the appellant's 'GIORDANO' trademark in which the appellant has acquired substantial goodwill and reputation in Hong Kong and many other countries, including Malaysia, prior to the filing

date of the respondent's application, and that the appellant's predecessor-in-title, Giordano Ltd, is the originator and/or the bona fide proprietor of the said trademark.

[9] The registrar dismissed the said opposition and the appellant filed an appeal to the High Court against the registrar's decision in dismissing the said opposition vide Kuala Lumpur High Court Notice of Originating Motion No R1–25–177 of 2003. The learned High Court judge had on 23 February 2007 dismissed the appeal and decided in favour of the respondent ie rejecting the appellant's opposition and accepting the respondent's application for registration of 'GIORDANO' trademark for Class 9. The appellant then appealed against the High Court decision to the Court of Appeal.

THE APPELLANT'S CONTENTION

[10] The appellant contended that the respondent cannot in law and in fact be the bona fide proprietor of the 'GIORDANO' trademark since the appellant is the originator of the mark. The appellant stated that the 'GIORDANO' trademark originated from Hong Kong Giordano Ltd (the appellant's predecessor-in-title) and it first used the mark in Hong Kong sometime in June 1981. The said mark was designed by the creative department of Giordano Ltd, in late 1985. After its creation, the mark was extensively used in respect of garments and wearing apparels. The appellant and/or its licencees have been using the said mark extensively in Hong Kong and in other countries around the world in respect of goods such as articles of clothing, watches with leather straps, leather belts, eyewear including sun glasses, bags and wallets. These goods were exported to other countries including Malaysia.

[11] In Malaysia, sale of goods bearing 'GIORDANO' trademark such as articles of clothing, leather belts, bags, wallets, umbrellas and other fashion accessories commenced in 1990, in Metrojaya outlets, in Kuala Lumpur and thereafter in other states throughout Malaysia. These goods, as claimed by the appellant, were extensively advertised and promoted in, inter alia, Malaysian newspapers, magazines and television commercials. Thus, it is the contention of the appellant that the respondent had copied the appellant's trademark, thereby misappropriating the reputation, goodwill, and commercial advantage of the appellant's 'GIORDANO' trademark.

[12] Learned counsel for the appellant submitted that the respondent did not independently devise the 'GIORDANO' mark but copied it from the appellant, and the logical inference against the respondent's choice of using the said mark on his goods was to cash in on the appellant's worldwide reputation and goodwill. In other words, it was submitted that the act of the respondent

was a Classic example of piracy of foreign trademarks by unscrupulous locals.

THE RESPONDENT'S CONTENTION

[13] The respondent on the other hand, contended that he had prior use of the 'GIORDANO' trademark in respect of goods in Class 9 in Malaysia. According to him, he has been selling optical and sunglasses using the 'GIORDANO' trademark since 1992. Thus, it is the contention of the respondent that the appellant's notice of opposition was mala fide because the appellant had never applied for registration for the 'GIORDANO' trademark for goods in Class 9; and there was no evidence or proof of use by the appellant of the GIORDANO' trademark on goods in Class 9 either prior to the respondent's application or even after the application.

THE JUDGE'S DECISION

[14] The learned High Court judge dismissed the appellant's appeal on the following grounds, namely — that the respondent was the first user of the 'GIORDANO' trademark in Class 9 in Malaysia; that the appellant has no reputation or goodwill in the mark in connection with goods in Class 9 and that the appellant's goods are of a different description and were sold not in the same trade channel as those of the respondent but rather in very different stores.

[15] The learned judge was also of the view that the appellant had accepted the fact that it cannot claim any monopoly over the 'GIARDANO' trademark because it did not appeal against the registrar's decision in dismissing its opposition filed against the respondent's application No 92002279 for the 'GIRODANO' trademark in Class 14 (for watches).

FINDINGS OF THIS COURT

[16] The crux of the appellant's opposition against the respondent's application to register the 'GIORDANO' trademark is that the said trademark should not be registered in favour of the respondent and the respondent's application for registration should be refused by the registrar.

SECTION 14(1) OF THE TRADE MARKS ACT

[17] In Malaysia registration of trademarks can only be made under the Trade Marks Act 1976. Section 14(1)(a) of the Act provides that a mark or part of a mark shall not be registered as a trademark if the use of which is likely to deceive or cause confusion to the public or would be contrary to law. The

wording of the provisions show that the prohibition for registration under s 14(1)(a) may fall under any of the three elements namely:

(a) the use of it is likely to deceive;

(b) the use of it is likely to cause confusion to the public; or

(c) the use of it would be contrary to law.

[18] In the present case, the appellant had adduced unchallenged documentary evidence that the appellant and/or its licencees have been using the 'GIORDANO' trademark extensively in Hong Kong and in other countries around the world, in respect of goods such as articles of clothing, watches with leather straps, leathers belts, eyewear including sunglasses, bags and wallets. The appellant and/or its licencees first used the said trademark in Malaysia in relation to goods such as articles of clothings, leather belts, bags, wallets, umbrellas and other fashion accessories sometime in 1990, before the respondent's alleged date of first use of the trademark in Malaysia in 1992.

[19] The appellant had acquired substantial goodwill and reputation in the 'GIORDANO' trademark in Malaysia and in other countries in respect of those goods. The court should have taken into account the appellant's significant use and registration of the said trademark, particularly in relation to Class 25 goods in considering whether confusion or deception would arise.

[20] Under s 14(1)(a), registration of a trademark should be refused if there is likelihood of confusion or deception to the public or customers. It is for the person applying for registration (the applicant) to establish that there is no likelihood of such confusion or deception; or that the result of the use of the mark will not cause a number of persons to wonder whether the products of the respondent and of the appellant came from the same source.

[21] It is not enough for the applicant to negate the likelihood of confusion in relation to the actual trade carried on by the opponent at the time of the registration and to the manner in which the latter then uses his work. The applicant must also take into account all legitimate use of which the opponent may reasonably make of his mark within the ambit of his registration (see *Reckitt & Colman (Australia) Ltd v Boden* (1945) 70 CLR 84 at pp 94–95).

[22] It may be important to see whether the registered mark is of a general or special character and to ascertain the extent of its reputation. Again, it may be important to determine whether the goods in respect of which it is registered constitute a narrow Class or wide variety of goods as also will be the question of whether the goods of both the applicant and the opponent will be likely to find

market substantially in common areas and among the same Classes of people (see *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592).

[23] In the present case, both the appellant's and respondent's goods are fashion apparels which are targetted at the same Class of customers and market areas. It is highly likely that members of the public will wonder if the appellant's and respondent's goods, both bearing the 'GIORDANO' trademark, might originate from the same source. There is sufficient evidence to show that the appellant is the originator or bona fide proprietor of the 'GIORDANO' trademark, particularly when the appellant has commenced use of the said trademark in Malaysia prior to the date of the respondent's application.

[24] The evidence indicates that the respondent did not independently devise the mark himself. The respondent in truth is not the true proprietor of the 'GIORDANO' trademark. The respondent is trying to obtain the benefit of the worldwide reputation of the appellant. The respondent has failed to proffer any plausible explanation on his choice of mark which is identical to the appellant's mark.

[25] If at the date of application for registration of the trademark by the respondent, the trademark, although it has not been used in Malaysia, has become associated in the mind of the public with the appellant's goods, then the respondent cannot claim or appropriate proprietorship of the said trademark. There are no artificial limits on geographical areas to which reputation or goodwill can or cannot extend. Thus, the appellant's reputation or goodwill in the 'GIORDANO' trademark outside Malaysia prior to the respondent's use of the said mark in 1992 reinforces and supplements the reputation and goodwill of the appellant's 'GIORDANO' mark in Malaysia.

[26] Modern technology and communications have improved to such an extent that the public in Malaysia would be aware of foreign marks even though such marks had not been previously used in Malaysia. Confusion and deception have no boarders in these days of information technology age. A small amount of use of the 'GIORDANO' trademark by the appellant is sufficient to prevent the respondent or any other party from claiming proprietorship in the said mark if its use by the respondent is likely to cause confusion to the public. The appellant in the present case has through its licencees used the 'GIORDANO' trademark in Malaysia prior to the filing date of the respondent's application for registration.

[27] A person cannot be properly registered unless he is the proprietor of the trademark (see *Re Hicks Trade Mark* (1897) 22 VLR 636). A proprietor is the person who at the moment he makes application to be registered is entitled to

A the exclusive use of the name or mark, whether he then or before publicly adopted it. A man cannot be said to have adopted a name or mark if someone else has done so before him. In order to substantiate his application for registration for the mark in question, he must have claimed to be the proprietor ie the person entitled to the exclusive use of the mark. If there is any one else
B who would be interfered with by the registration of the mark in the exercise of a right which such person has already acquired to use the same mark in application to the same kind of goods, then the application should have been refused.

C **[28]** In the present case, the learned registrar, should refuse registration of the application by the respondent as there is a real risk of confusion or deception in that members of the public, as opposed to persons in the trade alone, might erroneously suppose that the respondent's goods or products originated from or in are some way connected with the appellant.

D

[29] The test to be applied has been laid down by the House of Lords in *'Bali' Trade Mark* [1969] RPC 472, where it was held that it is not necessary in order to find that a mark offends against s 14(1)(c) of the Trade Marks Act, to prove that there is an actual probability of deception leading to a passing off or an
E infringement action. In that case, the House of Lords, adopted, the following test laid down by Romer J in *Jellinek's Trade Mark* (1946) 63 RPC 59 at p 78:

> It is not necessary in order to find that a mark offends against s 11 to prove that there is an actual probability of deception leading to a passing off or (I add) an
F infringement action. It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt, but the court has to be satisfied that there is a possibility of confusion; it must be satisfied that there is a real tangible danger of
G confusion if the mark which it is sought to register is put on the register. And so mutatis mutandis when it is sought to expunge a mark.

[30] The respondent as an applicant for registration of the 'GIORDANO' trademark bears the onus of proof to satisfy that the said trademark is
H registrable and should be registered under the Trade Marks Act. The prohibitory clauses under s 14(1)(a) of the Act cast upon the respondent (as an applicant) the duty of satisfying the registrar or the court, that the trademark which he proposes to register does not come within the prohibition and must justify the registration of his trademark by showing affirmatively that it is not
I calculated to deceive or to cause confusion.

[31] Where an opponent alleges that the applicant's mark bears a deceptive resemblance to his own, he does not have to prove that the public would be confused or deceived thereby. It is the applicant who has to show that no such

confusion or deception is likely; an onerous task and one that is hardly susceptible to evidence (see *World Intellectual Property Organisation Manual of Trade Mark Law & Practice in Malaysia* (1989 Ed), para 24.46). A

[32] In law it is not a pre-requisite under s 14(1)(a) of the Act that the appellant must have acquired goodwill or reputation in the mark in Malaysia prior to the application for registration. It is sufficient so long as the mark has been in use in Malaysia by the appellant prior to the respondent's application for registration. Going by the words of s 14(1)(a), the court has to determine whether the use of the 'GIORDANO' trademark by the respondent is likely to deceive or cause confusion to the public. If there are people who are likely to be deceived or confused by the use of the trademark by the respondent, then it can safely be concluded that such use is likely to deceive or cause confusion to the public. Thus it is not necessary to find whether the appellant had acquired a reputation or goodwill in respect of its use of the trademark on its products in order to get protection under s 14(1)(a) of the Act. B C D

[33] The issue of 'first user' of the said trademark was raised before this court. The learned High Court judge concluded that the respondent was the first person who used the 'GIORDANO' mark in Class 9 in Malaysia, hence the appellant has no reputation or goodwill in the 'GIORDANO' mark in connection with goods in Class 9. E

[34] This court is of the view that the learned judge's finding on this 'first user' issue is not supported by sufficient evidence adduced by the parties. F

[35] In *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7, the Court of Appeal had decided that a Malaysian trader could only became the registered proprietor of a foreign trademark used for similar goods if the foreign trademark has not be used at all in Malaysia. In the present case it is clear from the unchallenged evidence that the appellant's predecessor, Giordano Ltd Hong Kong is the first user to the 'GIORDANO' trademark in relation to, amongst others, articles of clothing, leather belts, bags, wallets and umbrellas in Malaysia since as early as the year 1990, before the filing date of the respondent's application for registration. G H

[36] The respondent has failed to adduce sufficient evidence to show that it had commenced use of the trademark in relation to optical goods and sunglasses prior to the filing date of his application for registration. The photographs and advertisements tendered by the respondent have not satisfactorily shown that they were in existence in 1985 or 1986 as alleged. A copy of the advertisement tendered by the respondent clearly shows that the watches in metal straps were advertised on or about 9 September 2006, after the date of filing of the respondent's application for registration. No other I

advertisement or document originating from an independent source earlier than this date has been tendered by the respondent.

[37] There is no evidence that the optical goods, sunglasses and cases shown in the photographs tendered were actually in existence in 1992, as alleged. The invoices appear to contain many inconsistencies and irregularities, which are not consistent with genuine invoices issued in the normal course of trade. Many of the invoices are without the description of goods or the identity of the buyer. They were not signed by the alleged buyers. Some of them do not relate to the 'GIORDANO' trademark. Many of the invoices are post-1992.

[38] The alleged sales figures tendered by the respondent are not substantiated by copies of authenticated invoices. Thus, the sales figures might only consist of products not bearing the 'GIORDANO' trademark.

[39] On the other hand, there is clear and undisputed evidence that the appellant had first used the 'GIORDANO' trademark in relation to, inter alia, Class 25 goods long before the filing date of the respondent's application for registration. The appellant also has registration for the 'GIORDANO' trademark in Class 25 in Malaysia.

[40] In summary, the court is satisfied that there is no evidence to support the respondent's allegation that he has been selling sunglasses, eye wear or fashion accessories bearing the 'GIORDANO' trademark in or before 1992. As such, based on the available evidence, the court is convinced that the appellant (not the respondent) is the first user and therefore the bona fide proprietor of the 'GIORDANO' trademark.

[41] On the above considerations, it is clear that the registration of the respondent's trademark by the registrar is in contravention of s 14(1)(a) of the Trade Marks Act on the ground that the use of the said trademark by the respondent is likely to deceive or cause confusion to the public in that it may mislead persons into thinking that those products or goods of the respondent are products or goods that come from the appellant; or to believe that the respondent's goods are associated or connected with the appellant. On this ground alone the appeal herein should be allowed and the decision of the learned High Court judge and the registrar be set aside.

SECTION 19(1) OF THE TRADE MARKS ACT

[42] Learned counsel for the appellant raised the issue of s 19(1) of the Trade Marks Act and submitted that the said section is relevant to the question of whether the respondent's application should be allowed to proceed for registration.

[43] Section 19(1) provides: A

(1) No trademark shall be registered in respect of any goods or description of goods:

(a) that is identical with a trademark belonging to a different proprietor and entered in the Register in respect of the same goods or description of goods or in respect of services that are closely related to those goods; or B

(b) that so nearly resembles such a trademark as is likely to deceive or cause confusion.

[44] Whilst s 14(1)(a) of the Act talks about the 'use of the trademark' which is likely to deceive or cause confusion to the public, s 19(1) on the other hand talks of 'the appearance' of the trademark itself ie a trademark which is identical in appearance with the trademark already registered belonging to a different proprietor in respect of the same goods or description of goods; or, if not identical, the appearance so nearly resembles such a trademark (which has already been registered) as is likely to deceive or cause confusion. C D

[45] In the present case, the respondent's trademark in question is identical or exactly the same with the appellant's trademark. Thus, as considered earlier the appearance as well as the use of it by the respondent would clearly deceive or cause confusion to the public. In other words, the registration of the said trademark by the respondent is also prohibited under s 19(1)(b) of the Act. E

[46] The prohibition under s 19(1)(a) is applicable if the respondent's trademark is identical with the appellant's trademark which has already been entered in the register in respect of either the same goods or the same description of goods. F

[47] The court is of the view that even if the respondent's goods are not exactly the same with the appellant's goods, nevertheless all their goods are in the same description. Therefore the prohibition under s 19(1)(a) is applicable and the respondent's trademark should not have been registered. The registrar is duty bound to enforce the prohibition under s 19(1)(a) strictly, even without any opposition to the registration by the proprietor of the trademark. G H

[48] Learned counsel for the appellant submitted that the learned judge had failed to consider several relevant factors when considering whether the appellant's Class 25 goods for garments and wearing apparels (jeans, T-shirt, pouch, accessories, trousers, clothing, footwear, headgear and article of clothing) and the respondent's Class 9 goods (ie eye wear and sunglasses) are goods of the same description under s 19(1) of the Act. I

[49] It is trite law that goods belonging to different classes may nevertheless be of the same description and vice versa. Lord Reid in *DAIQUIRI RUM Trade Mark* [1969] RPC 600 had stated that 'the same good' is not synonymous with 'goods of the same description'; 'same' does not mean identical, but denotes a rather close proximity and 'the same description' does not mean that you look for a description which applies to both goods, but rather indicates a similarity in various respects.

[50] Lord Wilberforce in the same case (*DAIQUIRI RUM Trade Mark*) at p 620, said as follows:

> The expression 'goods of the same description' is used elsewhere in the Trade Marks Act 1938, in particular ss 12 and 26, and no reason appears why it should not bear the same meaning throughout. The words are not perhaps self-explanatory. Taken by themselves, they would suggest that it is necessary to search for a description, by species, genus or wider category which would include all the goods in question. Taken in relation to the Act to 1938, they might suggest a grouping by reference to the Classification of goods for trademark purposes contained in the Third or Fourth Schedules to the Trade Marks Rules. But reference to the Classification shows at once that this cannot be the basis of 'description', for there are many cases where a single Class contains goods of different descriptions, while goods which one would think were of the same description may be found in different Classes. Nor, on the more general test, is it sufficient to find a single trade description covering each of the goods in question.
>
> …
>
> I think that the test of sameness in description has rightly been taken to be a business and practical test, and I would accept the utility for most purposes of the matters stated as relevant by Romer J in *Jellinek's Application* (1946) 63 RPC 59: these are the nature and composition of the goods, the respective uses of the articles and the trade channels through which the commodities are bought and sold: there may, and as business patterns change no doubt will be others, but it is tests of this nature by which the registrar should be guided.

[51] From the authorities above, the court finds that the relevant test to apply in deciding whether specified goods are of the same description as other specified goods, was established in the judgment of Romer J in *Re Jellinek's Application* (1946) 63 RPC 59 at p 70, whereby regard must be had to the following factors:

(a) nature and composition of the goods;

(b) uses or purpose of the goods; and

(c) trade channels through which the goods are bought and sold (the channels of manufacture, wholesale and retail).

[52] In practice, in order to justify a finding that goods are of the same description, the respective goods must coincide in respect of at least two criteria as laid down above. In *FLORADIX Trade Mark* [1974] RPC 583, the court accepted the submission that in order for specified goods to be of the same description as other specified goods, it is not necessary that all the three criteria laid down in the *Jellinek's Application* should be fulfilled. No single consideration is conclusive in itself. Even the Classifications contained in the schedules to the Trade Marks Rules are not decisive criteria as to whether or not two sets of goods are of the same description.

[53] In the present case, the court is of the view that 'optical and sunglasses' (in Class 9) and 'garment and wearing apparels' (in Class 25) are goods of the same nature in that both can be commercially described as 'personal wear' or articles meant to be worn on the body. From a practical and commercial point of view, both categories of goods are considered to be fashion wear.

[54] Both categories of goods have common practical purpose of acting as articles of adornment for personal wear. From a commercial stand point both categories of goods are used and sold as articles which portray one's sense of fashion and preference. Sunglasses (Class 9) can be used as a form of fashion statement. One may choose square or oval-shape sunglasses purely based on preference and taste. Similarly, one may choose to buy clothes or pants (Class 25) of a particular design or colour based on one's preference and taste.

[55] In today's business environment and practice, both categories of goods are more often than not manufactured, distributed and sold through the same sources or channels. For instance, many famous brands such as Giorgio Armani, Dunhill, Cartier, Nike, Calvin Klien, Dolce and Gabbano, Channel, Christian Dior, Hugo Boss, Versace, Gucci, Coach, Guess, manufacture and distribute both categories of goods. Further, a visit at any shopping complexes would show that such goods are commonly sold at the same places next to each other in departmental stores, fashion boutiques and retail stores.

[56] The goods covered by the respondent's application, ie optical and sunglasses, and the appellant's goods, ie articles of clothing, watches with leather straps, leather belts, eyewear including sunglasses, bags, wallets, umbrellas and fashion accessories, are closely related as these are goods commonly sold together or next to each other in departmental stores or fashion boutiques. Further, those goods are likely to be manufactured, distributed and sold through the same sources or channels. It is also likely that the respondent and the appellant share the same market.

[57] In *Lam Soon Marketing Services Ltd v Lam Mei Hing (t/a Yat Hing Trading Co)* [1994] AIPR 317, the respondent applied to register the

trademark 'Golden Crown' and Chinese characters in Class 30 for 'oats' and the appellant who was the registered proprietor of a trademark for a similar device for a crown and the words 'Crown Brand' in Class 32 in respect of 'wheat flour' opposed the application. The High Court in Hong Kong held that the essential features in both the marks were the crown device and the word 'Crown' and upheld the registrar's decision that there was indeed a likelihood of confusion if the respondent was allowed to proceed with her application even though the respective goods were not identical.

[58] Based on the foregoings the court is satisfied that the respondent's application for registration in Class 9 should be refused as its registration would also offend s 19(1)(a) of the Act as his trademark relates to the same description of goods as those of the appellant.

CLAIM OF MONOPOLY

[59] The learned judge in his grounds of judgment made a finding that the appellant had accepted the fact that it cannot claim any monopoly over the 'GIORDANO' trademark because it did not appeal against the registrar's decision in dismissing the opposition filed against the respondent's application No 92002279 for 'GIORDANO' in Class 14, for watches.

[60] The court is of the view that failure by the appellant to appeal against the registrar's decision in allowing the respondent's Class 14 applications to proceed to registration cannot be regarded as an acceptance by the appellant that it cannot claim monopoly over the 'GIORDANO' trademark. There is no evidence to show that the appellant had accepted that it cannot claim monopoly over the said trademark. In this case, the appellant does not seek to claim a monopoly over the said trademark in respect of all Classes of goods or services, but limited to goods or services which are closely related to the appellant's current proprietorship in the 'GIORDANO' trademark.

[61] Although the respondent has successfully registered the 'GIORDANO' trademark for watches in Class 14, it does not follow that the respondent is entitled to registration of the same trademark in Class 9, especially when the appellant has shown prior use of the said mark. The failure on the part of the appellant to appeal against the decision of the learned registrar to register the respondent's application in Class 14 will not prejudice his opposition to the present application to register the same trademark in Class 9. It does not mean that the appellant had abandoned its proprietary rights in the 'GIORDANO' trademark.

[62] The appellant's right in the GIORDANO' trademark in relation to Class 14 goods does not dissipate simply because it is an unsuccessful opponent

against the respondent's Class 14 application. The appellant may still bring on action for declaration of invalidity against the respondent's Class 14 registration or raise issue of prior use of the said trademark as relevant to a passing off claim or expungement proceedings under s 45 of the Act if it wishes to do so (see *Special Effects Ltd v L'Oreal SA & Anor* [2007] RPC 15 – the Court of Appeal, England and Wales). The appellant cannot be stopped from pursuing its rights against the respondent in respect of Class 9 goods simply because the appellant decided not to appeal the registrar's decision in dismissing its opposition filed against the respondent's Class 14 application.

PUBLIC INTEREST

[63] The issues of public interest must also be considered in dealing with an application for registration of a trademark, particularly under s 14(1)(a) of the Act.

[64] This court is in full agreement with KC Vohrah J (as His Lordship then was) in *Caitlin Financial Corp NV v CA Siemer (M) Sdn Bhd & Anor* [2001] 3 MLJ 423 in emphasising the rationale of s 23(1) of the Trade Mark Ordinance (which is in pari materia to s 14(1)(a) of the Act) as follows:

> In regard to the purchasing public, it has to be noted that s 23(1) of the Ordinance is between the purchasing public and a trader seeking registration of a proposed trademark. It is not between two rival traders. Public interest, namely protection of the innocent purchaser has been singled out as the underlying rationale behind this provision. It follows that the public's perspective of the applicant's mark is the relevant perspective to determine this question of fact and degree.

[65] It is also useful to refer to the observation of the Court of Appeal of New Zealand in relation to s 16 of the New Zealand Trade Marks Act 1953 (which is in pari materia with s 14(1)(a) of the Act) in *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd* [1979] RPC 410, where Richardson J said at p 424 as follows:

> It must be remembered, too, that the object of s 16 is not to protect competitors and potential competitors of the applicant so, the likelihood of damage to the trade of the opponent is not a relevant consideration under s 16 (Hack's Application, at pp 106–107). The object is to protect the public interest by refusing to accord monopoly rights to a mark, the use of which is likely to deceive or confuse those in the market for the goods. The concern is with the protection of the relevant New Zealand buying public, not with the protection of the applicant's competitors.

CONCLUSION

[66] The above considerations clearly show that registration of the

respondent's trademark 'GIORDANO' contravenes s 14(1)(a); s 19(1)(a) as well as s 19(1)(b) of the Trade Marks Act 1976. Thus, the said trademark was wrongly registered in favour of the respondent. On these grounds, this court unanimously allowed the appeal with costs of RM5,000 to the appellant. The order of the learned High Court judge was set aside.

Appeal allowed with costs.

Reported by Kohila Nesan